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Vice President
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United Telephone Companies

September 30, 1993

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20036

RE: In the Matter of Local Exchange Carriers' Rates, Terms, and Conditions for Expanded
Interconnection for Special Access, CC Docket No. 93-162

Dear Mr. Caton:

Attached is the original and four copies of the Reply to Opposition to Direct Case of
the United Telephone and Central Telephone Companies in the matter referenced above.

Sincerely,


Jay C. Keithley
Vice President
Law and External Affairs

Attachment

JCK/mlm

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

Local Exchange Carriers'
Rates, Terms, and Conditions
for Expanded Interconnection
for Special Access)

CC Docket No. 93-162

**REPLY TO OPPOSITION TO DIRECT CASE
OF THE UNITED TELEPHONE AND CENTRAL
TELEPHONE COMPANIES**

Respectfully submitted,

**UNITED AND CENTRAL TELEPHONE
COMPANIES**

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THEIR ATTORNEYS

September 30, 1993

SUMMARY

The United Telephone and Central Telephone companies reply to the Opposition of MFS and the PUCO staff. These are the only oppositions directed at United and Central.

The Commission should decline to modify its rate of return procedures by incorporating an adjustment to the 11.25% overall return to reflect an average prime rate rather than the actual cost of debt. United and Central targeted their rates at the 11.25% overall return authorized by the Commission.

Floorspace rates should be based on investment and appropriate loadings. This is what United and Central used in establishing their rates. Net book is inappropriate because it lacks loadings. Further, comparative rates are not appropriate. If comparative rates are adopted, they must be adjusted to recognize the special environmental conditioning that differentiates LEC central offices from ordinary office space.

Time and materials charges are appropriate for cage construction. Averaging low cost and high cost offices will create an unwanted subsidy from one expanded interconnection customer to another. Further, LEC abuse of time and materials is precluded through self-provisioning of construction and through the quotation of costs process. United and Central also allow self-provisioning of non-construction activities such as cable pulling and splicing. PUCO is mistaken in their claim to the contrary.

Asbestos abatement charges are appropriate. LECs should make partial refunds of these charges if expanded interconnection customers are forced from the space and it is reclaimed by the LEC within 10 years of the abatement cost.

United clearly states in its Tariffs the material reasons for termination. Further, United's insurance requirements for expanded interconnection customers are reasonable and are well below United's own insurance levels.

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Local Exchange Carriers')	CC Docket No. 93-162
Rates, Terms, and Conditions)	
for Expanded Interconnection)	
for Special Access)	

**REPLY TO OPPOSITION TO DIRECT CASE
OF THE UNITED TELEPHONE AND CENTRAL
TELEPHONE COMPANIES**

The United Telephone and Central Telephone companies ("United and Central"), in response to the Oppositions to the Direct Case required by the Designation Order,¹ hereby respectfully submit their Reply. Most of the Oppositions, with the exception of MFS and PUCO, did not oppose either United or Central's Direct Case.² United and Central thus address only those Comments that have been directed at their Direct Case.

1. Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection for Special Access, CC Docket No. 93-192, DA 93-951, released July 23, 1993 ("Designation Order").

2. Association for Local Telecommunications Services ("ALTS") (United not mentioned in Comments. See p. 1), MFS Communications Company, Inc. ("MFS") (United served, Central mentioned and comments directed at all LECs), MCI Telecommunications Company ("MCI") (United and Central served but not specifically mentioned, however comments directed at LECs in general), Public Utility Commission of Ohio ("PUCO") (United mentioned in Comments), Sprint Communications Company, L.P. ("Sprint") (United mentioned only in a positive manner), Teleport Communications Group ("TCG") (United and Central neither mentioned or served), Teleport of Denver, LTD (United and Central neither mentioned nor served).

I. COST OF MONEY AND DEBT

MFS claims that the Commission should use "the prescribed rate of return of 11.25% as the maximum cost of money that LECs may use in their rate computations."³ Further, MFS urges the use of "the prime rate, averaged over the first six months of 1993, as their cost of debt."⁴ MFS' recommendation is inconsistent with prior Commission precedent and is fundamentally flawed.

United and Central used 11.25% as the target return in developing their expanded interconnection rates. The Commission has established 11.25% as the overall rate of return on investment allowed non-price cap companies. An overall rate of return contains an averaging of two components--the cost of debt and the return on equity. This overall return is the return on investment.

MFS proposes to subvert this concept by using the overall return of 11.25% as the "maximum cost of money" while also using the "prime rate . . . as their cost of debt." This would effectively modify the calculation of overall return on investment and improperly lower the overall return. The Commission should not, in this proceeding, modify its historical methodology of calculating overall return. Further, the Commission need not

3. MFS at 4.

4. Id.

consider any adjustments to United and Central because of their use of an 11.25% target return in development of their rates.

II. FLOORSPACE RATES

MCI suggests that floorspace be provided at rates based on "net book"⁵ while MFS urges the use of unadjusted comparative market rates.⁶ MFS further objects to the use of "pure cost" in developing floorspace rates.⁷ In developing its per foot floorspace rate, United and Central calculated original investment plus improvements to the buildings. Then they spread conditioning costs over the conditioned floor space as compared to all floor space. Finally, they reduced this calculation to a per foot investment and then applied the carry factor to reflect overheads, taxes and other appropriate loadings.

The use of net book is not appropriate. For instance, one LEC building may be 50 years old and nearly depreciated while another may be new. If net book were used as the basis for floorspace rates, the older building would be available for nearly "free" while a new building would carry much higher prices. However, the value of floorspace could be much higher in

5. MCI at 8.

6. MFS at 6, 10, and 13.

7. Id. at 7.

the older building than the newer building. Further, "net book" and "pure cost" would not carry any loadings for common overheads. Because of these problems, the use of "net book" for floorspace rate development must be rejected.

United and Central do not support the use of comparative market rates. However, if this option is adopted, adjustments to compilation of comparative rates must be made. MFS supports comparative rates without any adjustment claiming that "all LECs recover these telecommunications specific construction costs through their nonrecurring charges for central office preparation and cage construction."⁸ MFS' claim is not correct. United and Central do not recover these costs in their cage construction costs. Any comparative rate should be adjusted to recognize the increased cost and value represented by "computer ready space" including raised floors, fire suppression systems, appropriate floor loading capability, and environmental conditioning. Thus, MFS improperly seeks to gain the benefits of this specially conditioned space without paying for it.

III. SPACE PREPARATION CHARGES

A. United and Central's Time and Materials Charges

United and Central tariffed space preparation and cage construction on a time and materials basis. MFS and PUCO object to

8. Id. at 10.

the lack of a specific cage construction cost in the United and Central tariff.⁹

United and Central, for many reasons, continue to believe that time and materials is the correct basis for charging expanded interconnectors for cage construction costs. First, the amount of space to be occupied by an expanded collocation customer is not necessarily standard,¹⁰ as evidenced by the United and Central tariffs. Because the space is not uniform, a uniform price is inappropriate. Second, construction costs will not be uniform, thus requiring averaging to arrive at a uniform rate. United and Central fail to see the merit in charging an expanded interconnection customer that locates in a low construction cost office higher averaged rates that reflect expanded interconnection construction costs in higher cost offices.

United and Central believe that each expanded interconnection customer should pay its own way. Only through the use of "time and materials" charges can this be accomplished. Otherwise, both high cost and low cost offices and areas must be averaged. When this occurs, subsidies of customers will arise. Further, because the averaged rate must reflect all available

9. MFS at 17-18 and PUCO at 3-4.

10. An expanded interconnector may request and receive more than 100 square feet of space and may, when appropriate, occupy less than 100 square feet.

offices, not just those where expanded interconnection customers are really expected, the averaged rate may be inaccurate.

Because of these factors, United and Central believe that a tariff that offers time and materials is superior to an averaged rate. Also, any concern about unexpected charges is alleviated through the "order of magnitude" quotes that are available prior to construction commitments at a given site. Moreover, the United and Central tariffs allow the expanded interconnection customer to use independent contractors to perform cage construction.

B. Asbestos Abatement

MFS claims that expanded interconnectors should not bear the cost of asbestos abatement when asbestos contaminated areas are opened for use by the expanded interconnector.¹¹ United and Central continue to support asbestos abatement payments by expanded interconnectors under such circumstances. If asbestos in LEC buildings is stable and is not disturbed, it does not require abatement. When these areas are opened because of expanded interconnection activity, the party that caused the asbestos abatement cost should pay. Thus, the United and Central requirement that expanded interconnectors pay this expense is reasonable.

11. MFS at 20.

MFS, however, does have some valid points concerning the potential ability of LECS to abuse an asbestos abatement payment requirement. For example, MFS points out that LECS may reclaim space if it is needed for LEC purposes. Under this circumstance, it would be unfair to allow the LEC to receive the benefit of the expanded interconnector's asbestos abatement expense. United and Central propose that a rebate of 10 percent of the expense per year be given to the expanded interconnector if the space is reclaimed prior to 10 years occupancy by an expanded interconnection customer. This would remove any incentive for abuse by the LEC.

United and Central further believe that MFS' concern with a LEC forcing expanded interconnectors into asbestos contaminated space when other space is available is reasonable. Thus, United and Central offer to host a tour of available space for expanded interconnectors so that claims of "steering" expanded interconnectors to space potentially needing asbestos abatement may be minimized. Further, when asbestos abatement is required, United and Central are willing to consult with expanded interconnectors paying for abatement concerning the scope of the abatement and the curative action that will be undertaken.

With these added protections, United and Central assert that their asbestos abatement requirement is reasonable and places the

expense of the abatement program where it belongs, on the cost causer.

IV. TERMINATION FOR CAUSE

The PUCO staff claims that United failed to identify material tariff violations that might result in service termination.¹² PUCO is mistaken in this claim. In its Direct Case, United referred to its General Rules and Regulations for authority concerning what violations of the tariff could result in termination. Attached as Exhibit A are the pertinent Sections of the United tariff.

In Section 2.1.7 of the Tariff F.C.C. No. 5, those violations that could result in termination of service are clearly stated. United has provided a concrete standard for termination and urges the Commission to dismiss this misplaced PUCO concern.

V. INSURANCE REQUIREMENTS

The PUCO staff complains that United did not disclose the level of its own insurance coverage and urges the Commission not to require others to carry more insurance than the LEC.

United carries insurance coverage far in excess of what it requires of its expanded interconnection customers.¹³ While United does not suggest that others need to carry the same level

12. PUCO at 5-6.

13. United will provide its insurance coverage limitations to PUCO or the Commission if requested and under a procedure designed to minimize public disclosure of this sensitive item and thus minimize needless litigation and claims based on this insurance coverage.

of insurance coverage as United does, it is important that they carry sufficient insurance to cover their risk. In this context, expanded interconnectors should carry sufficient insurance to cover any damage that might arise related to their occupation of LEC central office space. The LEC should not provide that insurance coverage for the expanded interconnector because LEC insurance cost is related to claims made by the LEC. If LEC insurance is used to cover increased expanded interconnector claims, the premium will rise. Thus, the general body of LEC customers will pay for the increased risk caused by only expanded interconnection customers. Expanded interconnection customers should not be allowed to shift their risk related insurance costs to the general body of ratepayers. As a result, LEC insurance requirements for expanded interconnectors are appropriate.

VI. SELF-PROVISIONING

The PUCO staff¹⁴ raises a concern with a lack of tariff language facilitating self-provisioning of some functions such as splicing and cable pulling. The PUCO is mistaken as to United in this claim. United's tariff allows self-provisioning and United has clarified its Tariff in a previous response to PUCO's concern.¹⁵

14. Id. at 8-9.

15. See, Tariff FCC No. 5 §17.1.4(j) where customers are given the option of using the LEC to provide these services and United's April 15, 1993 Opposition to Petitions to Reject, Suspend, or Investigate Proposed Collocation Tariff, CC Docket No. 91-141 at 17-18.

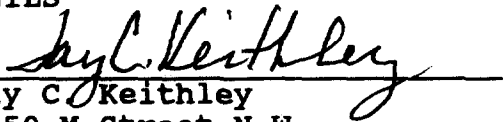
VII. CONCLUSION

The United and Central Telephone companies urge the Commission to reject the majority of the Opposition issues to their Direct Case, as detailed above. The United and Central Telephone companies do not object to modifications in either floorspace rates to reflect adjusted comparative markets or self-provisioning. Adjustments to cost of money, cost of debt, time and materials for construction, asbestos abatement liability, termination standards and insurance requirements should not be made.

Respectfully submitted,

UNITED AND CENTRAL TELEPHONE
COMPANIES

By


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THEIR ATTORNEYS

September 30, 1993

ACCESS SERVICE

2. General Regulations (Cont'd)2.1 Undertaking of the Telephone Company (Cont'd)2.1.6 Maintenance of Services

The services provided under this tariff shall be maintained by the Telephone Company. The customer or others may not rearrange, move, disconnect, remove or attempt to repair any facilities provided by the Telephone Company, other than by connection or disconnection to any interface means used, except with the written consent of the Telephone Company.

2.1.7 Changes and Substitutions

Except as provided for equipment and systems subject to FCC Part 68 Regulations at 47 C.F.R. Section 68.110(b), the Telephone Company may, where such action is reasonably required in the operation of its business, (A) substitute, change or rearrange any facilities used in providing service under this tariff, including but not limited to, (1) substitution of different metallic facilities, (2) substitution of carrier or derived facilities for metallic facilities used to provide other than metallic facilities and (3) substitution of metallic facilities for carrier or derived facilities used to provide other than metallic facilities, (B) change minimum protection criteria, (C) change operating or maintenance characteristics of facilities or (D) change operations or procedures of the Telephone Company. In case of any such substitution, change or rearrangement, the transmission parameters will be within the range as set forth in 6. and 7. following. The Telephone Company shall not be responsible if any such substitution, change or rearrangement renders any customer furnished services obsolete or requires modification or alteration thereof or otherwise affects their use or performance. If such substitution, change or rearrangement materially affects the operating characteristics of the facility, the Telephone Company will provide reasonable notification to the customer in writing. Reasonable time will be allowed for any redesign and implementation required by the change in operating characteristics. The Telephone Company will work cooperatively with the customer to determine reasonable notification requirements.

ACCESS SERVICE

2. General Regulations (Cont'd)2.1 Undertaking of the Telephone Company (Cont'd)2.1.8 Refusal and Discontinuance of Service

- (A) Unless the provisions of 2.2.2(B) or 2.5 following apply, if a customer fails to comply with 2.1.6 preceding or 2.2.3, 2.3.1, 2.3.6, 2.3.7, 2.4 or 13.3.8 following, including any payments to be made by it on the dates and times herein specified, the Telephone Company may, on thirty (30) days written notice by Certified U.S. Mail to the person designated by that customer to receive such notice of noncompliance, refuse additional applications for service and/or refuse to complete any pending orders for service by the noncomplying customer at any time thereafter. (T)

If the Telephone Company does not refuse additional applications for service on the date specified in the thirty (30) days notice, and the customer's noncompliance continues, nothing contained herein shall preclude the Telephone Company's right to refuse additional applications for service to the noncomplying customer without further notice.

- (B) Unless the provisions of 2.2.2(B) or 2.5 following apply, if a customer fails to comply with 2.1.6 preceding or 2.2.3, 2.3.1, 2.3.6, 2.3.7, 2.4 or 13.3.8 following, including any payments to be made by it on the dates and times herein specified, the Telephone Company may, on thirty (30) days written notice by Certified U.S. Mail to the person designated by that customer to receive such notices of non-compliance, discontinue the provision of the services to the noncomplying customer at any time thereafter. In the case of such discontinuance, all applicable charges, including termination charges, shall become due. If the Telephone Company does not discontinue the provision of the services involved on the date specified in the thirty (30) days notice, and the customer's noncompliance continues, nothing contained herein shall preclude the Telephone Company's right to discontinue the provision of the services to the noncomplying customer without further notice. (T)

ISSUE DATE:
May 17, 1993

Issued Under Transmittal No. 322
Vice President-Revenues
2330 Shawnee Mission Parkway
Westwood, Kansas 66205

EFFECTIVE DATE:
July 1, 1993

Second Revised Page 29.1
Cancels First Revised Page 29.1

ACCESS SERVICE

2. General Regulations (Cont'd)

2.1 Undertaking of the Telephone Company (Cont'd)

2.1.8 Refusal and Discontinuance of Service (Cont'd)

(C) When access service is provided by more than one Telephone Company, the Companies involved in providing the joint service may individually or collectively deny service to a customer for nonpayment. Where the Telephone Company(s) affected by the nonpayment is incapable of effecting discontinuance of service without the cooperation of the other joint providers of Switched Access Service, such other Telephone Company(s) will, if technically feasible, assist in denying the joint service to the customer. Service denial for such joint service will only include calls originating or terminating within, or transiting, the operating territory of the Telephone Company(s) initiating the service denial for nonpayment. When more than one of the joint providers must deny service to effectuate service discontinuance for nonpayment, and where a conflict exists in the applicable tariff provisions, the regulations of the end office Telephone Company shall apply for joint service discontinuance.

(D) If the National Exchange Carrier Association, Inc. notifies the Telephone Company that the customer has failed to comply with Section 8 of the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 5 (Lifeline Assistance and Universal Service Fund charges) including any customer's failure to make payments on the date and times specified therein, the Telephone Company may, on thirty days' written notice to the customer by Certified U.S. Mail, take any of the following actions: (1) refuse additional applications for service, (2) refuse to complete any pending orders for service, and/or (3) discontinue the provision of service to the customer. In the case of discontinuance, all applicable charges, including termination charges, shall become due.

(M)(x)

(M)(x)

(x) Issued on not less than fifteen days' notice under authority of Special Permission No. 89-497 of the Federal Communications Commission.

ISSUE DATE:
July 17, 1989

Vice President-Revenues
2330 Shawnee Mission Parkway
Westwood, Kansas 66205

EFFECTIVE DATE:
August 1, 1989

ACCESS SERVICE

2. General Regulations (Cont'd)2.2 Use (Cont'd)2.2.2 Interference or Impairment (Cont'd)

(B) (Cont'd)

where practicable, notify the customer that temporary discontinuance of the use of a service may be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to preclude the Telephone Company's right to temporarily discontinue forthwith the use of a service if such action is reasonable under the circumstances. In case of such temporary discontinuance, the customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During such period of temporary discontinuance, credit allowance for service interruptions as set forth in 2.4.4 (A) and (B) following is not applicable.

2.2.3 Unlawful Use

The service provided under this tariff shall not be used for an unlawful purpose.

2.3 Obligations of the Customer2.3.1 Damages

The customer shall reimburse the Telephone Company for damages to Telephone Company facilities utilized to provide services under this tariff caused by the negligence or willful act of the customer, or resulting from the customer's improper use of the Telephone Company facilities, or due to malfunction of any facilities or equipment provided by other than the Telephone Company. Nothing in the foregoing provision shall be interpreted to hold one customer liable for another customer's actions. The Telephone Company will, upon reimbursement for damages, cooperate with the customer in prosecuting a claim against the person causing such damage and the customer shall be subrogated to the right of recovery by the Telephone Company for the damages to the extent of such payment.

ACCESS SERVICE

2. General Regulations (Cont'd)2.3 Obligations of the Customer (Cont'd)2.3.5 Reserved For Future Use2.3.6 Availability for Testing

The services provided under this tariff shall be available to the Telephone Company at times mutually agreed upon in order to permit the Telephone Company to make tests and adjustments appropriate for maintaining the services in satisfactory operating condition. Such tests and adjustments shall be completed within a reasonable time. No credit will be allowed for any interruptions involved during such tests and adjustments.

2.3.7 Balance

All signals for transmission over the services provided under this tariff shall be delivered by the customer balanced to ground except for ground start, duplex (DX) and McCulloh-Loop (Alarm System) type signaling and dc telegraph transmission at speeds of 75 baud or less.

2.3.8 Design of Customer Services

Subject to the provisions of 2.1.7 preceding, the customer shall be solely responsible, at its own expense, for the overall design of its services and for any redesigning or rearrangement of its services which may be required because of changes in facilities, operations or procedures of the Telephone Company, minimum protection criteria or operating or maintenance characteristics of the facilities.

ISSUE DATE:
October 3, 1986

Vice President-Revenues
5454 West 110th Street
Overland Park, Kansas 66211

EFFECTIVE DATE:
January 1, 1987

First Revised Page 45.2
Cancels Original Page 45.2

ACCESS SERVICE

2. General Regulations (Cont'd)2.4 Payment Arrangements and Credit Allowances

(S)(y)

2.4.1 Payment of Rates, Charges and Deposits

(A) The Telephone Company will, in order to safeguard its interests, only require a customer which has a proven history of late payments to the Telephone Company or does not have established credit, to make a deposit prior to or at any time after the provision of a service to the customer to be held by the Telephone Company as a guarantee of the payment of rates and charges. No such deposit will be required of a customer which is a successor of a company which has established credit and has no history of late payments to the Telephone Company. Such deposit may not exceed the actual or estimated rates and charges for the service for a two month period. The fact that a deposit has been made in no way relieves the customer from complying with the Telephone Company's regulations as to prompt payment of bills. At such time as the provision of the service to the customer is terminated, the amount of the deposit will be credited to the customer's account and any credit balance which may remain will be refunded.

(S)(y)

(y) Issued on not less than one day's notice under authority of Special Permission No. 90-427 of the Federal Communications Commission in order to defer the effective date from May 1, 1990 to May 15, 1990.

ISSUE DATE:
April 30, 1990

Vice President-Revenues
2330 Shawnee Mission Parkway
Westwood, Kansas 66205

EFFECTIVE DATE:
May 1, 1990

ACCESS SERVICE

2. General Regulations (Cont'd)2.4 Payment Arrangements and Credit Allowances (Cont'd)2.4.1 Payment of Rates, Charges and Deposits (Cont'd)

(A) (Cont'd)

Such a deposit may be refunded or credited to the account when the customer has established credit or, in any event, after the customer has established a one-year prompt payment record at any time prior to the termination of the provision of the service to the customer. In case of a cash deposit, for the period the deposit is held by the Telephone Company, the customer will receive interest at the same percentage rate as that set forth in (B)(3)(b)(I) or in (B)(3)(b)(II), whichever is lower. The rate will be compounded daily for the number of days from the date the customer deposit is received by the Telephone Company to and including the date such deposit is credited to the customer's account or the date the deposit is refunded by the Telephone Company. Should a deposit be credited to the customer's account, as indicated above, no interest will accrue on the deposit from the date such deposit is credited to the customer's account.

- (B) The Telephone Company shall bill on a current basis all charges incurred by and credits due to the customer under this tariff attributable to services, including, but not limited to, Maintenance of Service as set forth in 13.3.1 following, established or discontinued during the preceding billing period. In addition, the Telephone Company shall bill in advance charges for all services to be provided during the ensuing billing period (e.g., Special Access and Switched Access Entrance Facility, Direct-Trunked Transport and Multiplexing) except for charges associated with service usage (e.g., Switched Access Interconnection Charge, Tandem-Switched Transport, Local Switching and Information Surcharge) and for the Federal Government which will be billed in arrears. The bill day (i.e., the billing date of a bill for a customer for Access Service under this tariff), the period of service each bill covers and the payment date will be as follows:

(C)
|
(C)ISSUE DATE:
September 1, 1993Issued Under Transmittal No. 330
Vice President-Revenues
2330 Shawnee Mission Parkway
Westwood, Kansas 66205EFFECTIVE DATE:
December 1, 1993

ACCESS SERVICE

2. General Regulations (Cont'd)2.4 Payment Arrangements and Credit Allowances (Cont'd)2.4.1 Payment of Rates, Charges and Deposits (Cont'd)

(B) (Cont'd)

- (1) For End User Access Service and Presubscription the Telephone Company will establish a bill day each month for each end user account. The bill will cover End User Access Service charges for the ensuing billing period except for End User Access Service for the Federal Government which will be billed in arrears. Any applicable Presubscription charges, any known unbilled charges for prior periods and any known unbilled adjustment for prior periods for End User Access Service and Presubscription Service will be applied to this bill. Such bills are due when rendered.
- (2) For Service other than End User Service and Presubscription, the Telephone Company will establish a bill day each month for each customer account. The bill will cover charges for the billing period for which the bill is rendered, plus any known unbilled charges and adjustments for prior periods. The billing period for usage shall be the last bill day through one day before the current bill day. Payment for such bills is due as set forth in (3) following. If payment is not received by the payment date, as set forth in (3) following in immediately available funds, a late payment penalty will apply as set forth in (3) following.

(C)
|
(C)

ISSUE DATE:
October 3, 1986

Vice President-Revenues
5454 West 110th Street
Overland Park, Kansas 66211

EFFECTIVE DATE:
January 1, 1987

ACCESS SERVICE

2. General Regulations (Cont'd)2.4 Payment Arrangements and Credit Allowances (Cont'd)2.4.1 Payment of Rates, Charges and Deposits (Cont'd)

(B) (Cont'd)

- (3) (a) All bills dated as set forth in (2) preceding for service, other than End User Access Service and Presubscription, provided to the customer by the Telephone Company are due 31 days (payment date) after the bill date, or by the next bill date (i.e., the same date in the following month as the bill date), whichever is the shortest interval, except as provided herein, and are payable in immediately available funds. In the event that the Telephone Company renders the bill more than seven (7) days after the normal billing date, the Telephone Company will extend the payment date by one day for each day in excess of seven (7) until the bill is rendered. The date the bill is rendered will be considered to be the date the bill is post marked. If such payment date would cause payment to be due on a Saturday, Sunday or Holiday (i.e., New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, the second Tuesday in November and a day when Martin Luther King Jr. Day, Washington's Birthday, Memorial Day, Columbus Day, and Veteran's Day is legally observed), payment for such bills will be due from the customer as follows:

(C)
|
(C)(C)
|
(C)

Certain material omitted from this page now appears on Original Page 48.1.

ISSUE DATE:
May 17, 1993Issued Under Transmittal No. 322
Vice President-Revenues
2330 Shawnee Mission Parkway
Westwood, Kansas 66205EFFECTIVE DATE:
July 1, 1993

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.1 Payment of Rates, Charges and Deposits (Cont'd)

(B) (Cont'd)

(3) (a) (Cont'd)

If such payment date falls on a Sunday or on a Holiday which is observed on a Monday, the payment date shall be the first non-Holiday day following such Sunday or Holiday. If such payment date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day preceding such Saturday or Holiday.

(b) Further, if any portion of the payment is received by the Telephone Company after the payment date as set forth in (a) preceding, or if any portion of the payment is received by the Telephone Company in funds which are not immediately available to the Telephone Company, then a late payment interest charge shall be due to the Telephone Company. The late payment interest shall be the portion of the payment not received by the payment date times an interest factor. The interest factor shall be the lesser of:

(M)

(M)

Certain material found on this page formerly appeared on First Revised Page 48.

ISSUE DATE:
May 17, 1993

Issued Under Transmittal No. 322
Vice President-Revenues
2330 Shawnee Mission Parkway
Westwood, Kansas 66205

EFFECTIVE DATE:
July 1, 1993